TITLE 4. STATE ATHLETIC COMMISSION

NOTICE IS HEREBY GIVEN that the State Athletic Commission (hereinafter "Commission") is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at the Junipero Serra State Building located at 320 West Fourth Street, Carmel Room, Los Angeles, California 90013, at 9:00 a.m., on April 22, 2008. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the Commission at its office not later than 5:00 p.m. on April 22, 2008 or must be received by the Commission at the hearing. The Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by Sections 18611and 18763 of the Business and Professions Code, and to implement, interpret or make specific Sections 18640, 18642, 18710, 18714, 18724, 18725, 18765, 18842, and 18843 of said Code, the Commission is considering changes to Division 2 of Title 4 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

1. Adopt Rule 227.

Existing regulation does not include any procedures for arbitration of a contract dispute between licensees of the Commission. This proposed regulation will establish procedures for mediating contracts by a representative of the California State Athletic Commission.

2. Amend Rule 281.

Existing law gives the Commission sole direction, management, control of, and jurisdiction over all professional and amateur boxing, professional and amateur kickboxing, all forms and combinations of full contact martial arts contests, including mixed martial arts, and matches or exhibitions conducted, held, or given within this state.

Existing law authorizes the Commission to license professional and amateur boxers and professional and amateur martial arts fighters.

Existing regulation does not describe the specific indicators that the Commission uses to evaluate the physical condition of a boxer in order to determine the boxer's

eligibility for a license. This proposal would include a description of the specific physical factors used by the Commission to evaluate the condition of the boxer as the Commission must ensure that applicants are qualified to engage in combative sports.

This proposal would also renumber existing subsections to reflect the addition of the new language.

3. Amend Rule 303.

Existing Section 303 prohibits the administration or use of any drugs, alcohol or stimulants, or injections in any part of the body, either before or during a match.

This proposal would provide specific health and safety requirements regarding drug testing and the consequences surrounding a positive drug test result by setting out the procedures for testing and the substances being tested.

4. Adopt Rule 314.

Existing law contains certain specifications for the ring in which professional or amateur boxing contests are held.

It also authorizes the Commission to establish glove weights, equipment standards, safety standards, and the length of rounds in order to protect the health and safety of contestants.

This proposal would permit the Commission to allow professional boxing matches to be held in a roped enclosure that meets the specifications of Section 523 if Commission approval is granted.

5. Amend Rule 323.

Existing Rule 323 specifies hand bandage requirements.

This proposal would conform the rule to the hand bandage requirements established by the Association of Boxing Commissions in its Regulatory Guidelines and Rules modified July 27, 2005, which reflects the national standard.

6. Amend Rule 368.

Existing regulation does not permit the Commission to change final decisions in athletic contests after the victor has tested positive for a prohibited substance.

This proposed amendment would permit the Commission to change a decision where the victor tested positive for a prohibited substance and would renumber the remaining subsections accordingly. It would also establish that a change of decision shall be referred to as "no decision."

7. Adopt Rule 389.

Existing law authorizes the Commission, the Executive Officer and other employees duly authorized by the Executive Officer to temporarily suspend any license until final determination by the Commission, when in his or her opinion, the action is necessary to protect the public welfare or is in the best interest of boxing or martial arts. The suspension may be without advance hearing, but the suspended licensee may apply to the Commission for a hearing on the matter to determine is the suspension should be modified or set aside.

Existing law authorizes the Commission, the Executive Officer and other employees duly authorized by the Executive Officer to assess fines not to exceed two thousand five hundred dollars (\$2,500) for each violation of any provisions of the chapter or any of the rules and regulations of the Commission. The fine may be assessed without advance hearing, but the licensee may apply to the Commission for a hearing on the matter to determine if the fine should be modified or set aside.

This proposal would establish procedures for those hearings.

8. Amend Rule 523.

Existing Section 523(a) references Sections 310 through 312 regarding ring requirements for kickboxing contests. This proposal would permit an alternate ring for kickboxing events.

FISCAL IMPACT ESTIMATES

<u>Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:</u>

The proposal for Section 227 will not have any fiscal impact. It simply formalizes a procedure in the California Code of Regulations.

The amendment of Section 281 will not have any fiscal impact. It simply formalizes health and safety licensing guidelines in the California Code of Regulations.

The amendment of Section 303 will not have a significant financial impact on businesses. However, the Commission may be required to submit a revised contract proposal to the Department of General Services to revise current drug testing methods and to acquire new drug testing supplies. The current cost utilizing current methods for drug testing is \$99,500 over a period of twenty months. It is not anticipated there will be a financial increase in the cost of services but it may require a contractual change to establish services with another drug testing provider.

The proposal for Section 314 will not have a significant financial impact on businesses. However, the Commission may experience an increase in the number of events as more

licensed promoters attempt to hold "mixed" events showcasing multiple sports. It should be noted the Commission may experience a decrease in the number of events as more licensed promoters hold "mixed" events because it will decrease their business expenses per event. In either case, the Commission may experience an increase or decrease of approximately \$5,000 per event from revenue generated from the event. Additionally, licensed officials in the State of California may experience an increase or decrease in the amount of wages earned per event. This could positively or negatively impact approximately 75 officials statewide. While the potential effects of this proposal are neither greatly positive nor adverse, they are potential effects nonetheless.

No fiscal impact is expected from amendments to Section 323 to conform to the hand bandage requirements established by the Association of Boxing Commissions in their Regulatory Guidelines and Rules modified July 27, 2005.

The amendment of Section 368 is not expected to have any fiscal impact as it strictly pertains to the change of decision in an athletic contest.

The appeal procedure set out in Section 389 will not have any fiscal impact. The proposal merely formalizes the procedure for appeal in the California Code of Regulations.

The proposed change for Section 523 will not have a significant financial impact on businesses. The Commission may experience an increase in the number of events as licensed promoters attempt to hold "mega events" showcasing multiple sports. However, the Commission could experience a decrease in the number of events as promoters hold "multiple-sport" events because it will decrease their business expenses per event. In either case, the Commission may experience an increase or decrease of approximately \$5,000 per event from revenue generated from the event. Additionally, licensed officials in the State of California may experience an increase or decrease in the amount of wages earned per event. This could positively or negatively impact approximately 75 officials statewide. While the potential effects of this proposal are neither greatly positive nor adverse, they are potential effects nonetheless.

Nondiscretionary Costs/Savings to Local Agencies: None

Local Mandate: None

<u>Cost to Any Local Agency or School District for Which Government Code Section</u> 17561 Requires Reimbursement: None

Business Impact:

After a review of the proposed additions and changes to the existing rules, the Commission has made an initial determination that the proposed regulatory action would not have any significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination: None

<u>Impact on Jobs/New Businesses:</u>

The Commission has determined that these regulatory proposals would not have any significant impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California, although it is expected to result in a significant increase in events in California.

Cost Impact on Representative Private Person or Business:

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed regulatory actions. The proposals give the licensees guidelines for arbitration, formalizes health and safety guidelines, specifies the details of the Commission's drug testing program, allows professional boxing to be held in a five roped ring, sets standards for the wrapping of an athlete's hands, changes the outcome of an athletic contest after an athlete tests positive for prohibited substances, sets the guidelines in place for an appeal by a licensee, and allows kickboxing and mixed martial arts to be contested in the same competition enclosure during the same event.

Effect on Housing Costs: None

EFFECT ON SMALL BUSINESS

The Commission has determined that some of the proposed regulations would have a minimal impact on small businesses that are operating as promoters of boxing, kickboxing, and mixed martial arts in the State of California. The businesses will benefit if multiple sports may compete in one competition enclosure. This could potentially increase or decrease the number of events in the State of California.

CONSIDERATION OF ALTERNATIVES

The Commission must determine that no alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the actions are proposed or would be as effective and less burdensome to affected private persons than the proposals described in this Notice.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing.

INITIAL STATEMENT OF REASONS AND INFORMATION

The Commission has prepared an initial statement of the reasons for the proposed actions and has available all of the information upon which the proposals are based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the California State Athletic Commission at 1424 Howe Avenue, Suite 33, Sacramento, California 95825.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below. You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the website listed below.

CONTACT PERSON

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Bill Douglas

Address: 1424 Howe Avenue, Suite 33

Sacramento, CA 95825

Telephone No.: (916) 263-2195 Fax No.: (916) 263-2197

E-Mail Address: william_douglas@dca.ca.gov

The backup contact person is:

Name: Armando Garcia

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Sacramento, CA 95825

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Website Access: Materials regarding this proposal can be found at www.dca.ca.gov/csac.